



February 10, 2015

HOUSE BILL No. 1638

DIGEST OF HB 1638 (Updated February 10, 2015 11:15 am - DI 116)

Citations Affected: IC 20-19; IC 20-31.

Synopsis: School transformation zones. Makes various changes to the consequences for failing schools. Changes the timeline, from six years to four years, for state intervention for a school initially placed in the lowest category or designation of school improvement after June 30, 2015. Makes various changes to the provisions relating to management of turnaround academes by special management teams. Provides that the state board of education (state board) may approve a governing body's plan to establish a transformation zone. Repeals a provision relating to a correction of a disbursement of state and federal funds to the Indianapolis Public Schools for the 2012-2013 state fiscal year. Establishes the turnaround grant fund to make grants to turnaround academies. Makes technical corrections.

Effective: July 1, 2015.

Behning

January 22, 2015, read first time and referred to Committee on Education.
February 10, 2015, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

HB 1638—LS 7321/DI 116



February 10, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1638

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-19-2-14, AS AMENDED BY P.L.286-2013,
- 2 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2015]: Sec. 14. The state board shall do the following:
- 4 (1) Establish the educational goals of the state, developing
- 5 standards and objectives for local school corporations.
- 6 (2) Assess the attainment of the established goals.
- 7 (3) Assure compliance with established standards and objectives.
- 8 (4) Coordinate with the commission for higher education
- 9 (IC 21-18-1) and the department of workforce development
- 10 (IC 22-4.1-2) to develop entrepreneurship education programs for
- 11 elementary and secondary education, higher education, and
- 12 individuals in the work force.
- 13 (5) Make recommendations to the governor and general assembly
- 14 concerning the educational needs of the state, including financial
- 15 needs.

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(6) Provide for reviews to ensure the validity and reliability of the ISTEP program.

(7) Approve and oversee the implementation of plans for the turnaround of schools and school corporations not meeting the educational goals of the state.

SECTION 2. IC 20-31-2-7, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. "Plan" refers to **any of the following**:

(1) A strategic and continuous school improvement and achievement plan established under this article for a school or school corporation.

(2) A plan to establish an innovation network school to improve school performance under IC 20-31-9-4.

(3) A plan to establish a transformation zone under IC 20-31-9.5-9.5.

(4) Any plan approved by the state board for the turnaround of a school or school corporation.

SECTION 3. IC 20-31-2-9, AS ADDED BY P.L.229-2011, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9. "Special management team" means an entity that manages a turnaround academy **in whole or in part, including within a transformation zone.**

SECTION 4. IC 20-31-2-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. **9.5. "Transformation zone" means a school corporation that has submitted, through its governing body and to the state board, a plan and has been approved to operate under such a plan under IC 20-31-9.5-9.5.**

SECTION 5. IC 20-31-9-3, AS AMENDED BY P.L.229-2011, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if:

(1) for a school initially placed in the lowest category or designation before July 1, 2015, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; **or**

(2) for a school initially placed in the lowest category or designation after June 30, 2015, in the year after the year in which the school is initially placed in the lowest category or designation, a school remains in the lowest category or designation.

(b) The state board shall establish and assign an expert team to the school. The expert team:



(1) must include representatives from the community or region that the school serves; and

(2) may include:

(A) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations; and

(B) special consultants or advisers.

(c) The expert team shall:

(1) assist the school in revising the school's plan; and

(2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.

(d) The governing body of the school corporation in which a school to which this section applies is located may petition the state board to immediately restructure the school by presenting a written plan to the state board setting forth the proposed intervention for the school. If the state board approves the petition and accepts the plan, the school

(1) operates under the applicable provisions of IC 20-31-9.5; and

(2) is carried forward in the same performance category or designation in which the school is placed at the time the state board accepts the plan.

SECTION 6. IC 20-31-9-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 3.5. (a) This section applies to a school initially placed in the lowest category or designation after June 30, 2015, if, in the second year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation.**

(b) A school corporation must conduct a school corporation wide assessment of facilities use and prepare a facilities master plan to:

(1) ensure optimal use of facilities; and

(2) identify which schools should be closed, repurposed, or renovated.

(c) The plan described in subsection (b) shall be submitted to the state board not later than May 1 in the third year that the school is placed in the lowest performance category or designation to inform the state board's intervention decision in the fourth year as described under IC 20-31-9-4.

(d) The state board may require an updated facilities master plan from the school corporation within the intervention period to assist the state board with fulfilling the state board's duties under



1 **this chapter.**

2 SECTION 7. IC 20-31-9-4, AS AMENDED BY P.L.229-2011,
3 SECTION 189, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if:

5 **(1) for a school initially placed in the lowest category or**
6 **designation of school improvement before July 1, 2015,** in the
7 fifth year after initial placement in the lowest category or
8 designation, a school still remains in the lowest category or
9 designation; **or**

10 **(2) for a school initially placed in the lowest category or**
11 **designation of school improvement after June 30, 2015, in the**
12 **third year after initial placement in the lowest category or**
13 **designation, a school remains in the lowest category or**
14 **designation.**

15 (b) The state board shall do the following:

16 (1) Hold at least one (1) public hearing in the school corporation
17 where the school is located to consider and hear testimony
18 concerning the following options for school improvement:

19 (A) Merging the school with a nearby school that is in a higher
20 category.

21 (B) Assigning a special management team to operate all or
22 part of the school.

23 **(C) Approving the school corporation's plan to improve**
24 **the school through creation of a transformation zone.**

25 **(D) Approving the school corporation's plan to improve**
26 **the school through creation of an innovation network**
27 **school under IC 20-25.5-4.**

28 ~~(E)~~ (E) The department's recommendations for improving the
29 school.

30 ~~(F)~~ (F) Other options for school improvement expressed at the
31 public hearing. ~~including~~

32 **(G) Closing the school.**

33 ~~(E)~~ Revising the school's plan in any of the following areas:

34 (i) ~~Changes in school procedures or operations.~~

35 (ii) ~~Professional development.~~

36 (iii) ~~Intervention for individual teachers or administrators.~~

37 (2) If the state board determines that intervention will improve the
38 school, implement at least one (1) of the options listed in
39 subdivision (1).

40 (c) Unless the school is closed or merged, a school that is subject to
41 improvement under this section becomes a turnaround academy under
42 IC 20-31-9.5.



(d) A school corporation shall provide an updated facilities master plan and an asset plan inventory for the school to the state board by September 1 following the fourth consecutive year in the lowest two (2) performance categories or designations.

SECTION 8. IC 20-31-9-5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) This section applies to a school corporation initially placed in the lowest category or designation after June 30, 2015, if, in the fourth year after a school corporation is initially placed in the lowest category or designation, the school corporation remains in the lowest category or designation.

(b) The state board shall hold at least one (1) public hearing in the school corporation to take testimony concerning the feasibility of taking any of the following actions for providing a quality education to the affected students in the school corporation:

(1) Assigning a special management team to operate all or part of the school corporation.

(2) Assigning a special management team to develop a transformation zone plan and assist the school corporation with implementing the plan.

(3) Implementing the department's recommendations for improving the school corporation.

(4) Filing a petition with the distressed unit appeal board established under IC 6-1.1-20.3 seeking to have the school corporation designated as a distressed political subdivision. The distressed unit appeal board may designate the school corporation as a distressed political subdivision under IC 6-1.1-20.3-6.5 solely on the basis of the petition of the state board notwithstanding IC 6-1.1-20.3-6.

(c) Notwithstanding any other law, if the state board determines that taking at least one (1) of the actions listed in subsection (b) will improve the school corporation, the state board may take the action listed under subsection (b) that the state board determines is appropriate.

SECTION 9. IC 20-31-9-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) Not later than December 31 of the fifth year of an intervention under section 4 of this chapter, the state board shall take one (1) of the following actions:

(1) Return the school to the school corporation for operation if the state board determines that the school corporation demonstrates the ability to successfully operate the school



upon return.

(2) Direct the special management team to apply to a charter school authorizer for charter school status for the school.

(3) Implement a new intervention, or extend the existing intervention, under section 4(b) of this chapter.

(b) In making a determination under this section, the state board shall consider all relevant factors, including the overall performance of the school corporation and the special management team.

(c) Before making a final determination to take an action under subsection (a), the state board shall hold at least one (1) public hearing in the school corporation in which the school is located during the fall semester of the fifth year of an intervention to consider and hear testimony.

(d) If the state board directs the special management team to apply for charter school status under subsection (a)(2), the school corporation shall enter into an agreement with the organizer under IC 20-26-7-1 for continued use of the school facilities unless the organizer notifies the state board that it wishes to operate the charter school in an alternate facility selected by the organizer.

SECTION 10. IC 20-31-9-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) Not later than December 31 of the fifth year of intervention under section 5 of this chapter, the state board shall take one (1) of the following actions:

(1) End state directed intervention at the school corporation if the state board determines that the school corporation demonstrates the ability to successfully operate without such intervention.

(2) Implement a new intervention, or extend the existing intervention, under section 5(b) of this chapter.

(b) In making a determination under this section, the state board shall consider all relevant factors, including the overall academic performance and financial stability of the school corporation.

(c) Before making a final determination to take an action under subsection (a), the state board shall hold at least one (1) public hearing in the school corporation during the fall semester of the fifth year of an intervention to consider and hear testimony.

SECTION 11. IC 20-31-9-9 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 9: (a) Not later than December 31 of the fifth year of an intervention under this chapter, the state board shall take one (1) of the



following actions:

(1) Return the school to the school corporation for operation.

(2) Direct the special management team to apply to a charter school authorizer for charter school status for the school.

(3) Implement a new intervention under section 4(b) of this chapter.

(b) In making a determination under this section, the state board may consider all relevant factors, including the overall performance of the school corporation and the special management team.

(c) Before making a final determination to take an action under subsection (a), the state board shall hold at least one (1) public hearing in the school corporation in which the school is located during the fall semester of the fifth year of an intervention to consider and hear testimony.

(d) If the state board directs the special management team to apply for charter school status under subsection (a)(2), the school is entitled to continue to use the school's facilities in the same manner as a charter school that acquires school facilities under IC 20-26-7-1 is entitled to use school facilities.

SECTION 12. IC 20-31-9.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 0.5. (a) The state board may enter into any contracts necessary to implement IC 20-31-9 and this chapter.**

(b) The state board may direct the department to assist the state board with implementing the state board's duties under IC 20-31-9 and this chapter, including, but not limited to:

(1) providing data to the state board that the state board determines is necessary to execute such duties; and

(2) entering into contracts as determined by the state board.

SECTION 13. IC 20-31-9.5-1, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 1. (a) None of the following may be considered a school employer under IC 20-29-6 IC 20-29-2-15 with respect to a turnaround academy:**

(1) The state.

(2) The state board.

(3) A special management team assigned by the state board under IC 20-31-9-4 to operate a school as a turnaround academy: or IC 20-31-9-5.

(b) A special management team assigned under IC 20-31-9-4 to operate a school as a turnaround academy or IC 20-31-9-5 shall make



all personnel decisions in the school. In operating ~~the a~~ school as a turnaround academy under this chapter, ~~the a~~ special management team is not bound by a contract entered into under IC 20-29.

SECTION 14. IC 20-31-9.5-2, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) If the state board assigns a special management team under IC 20-31-9-4 to operate a school as a turnaround academy, for as long as the special management team operates the turnaround academy **the following requirements apply:**

(1) The special management team shall ~~continue to use the school building, the accompanying real property, and the building's contents, equipment, and supplies; and~~ **have the right to use any school building and all facilities and property otherwise part of the school and recognized as part of the facilities or assets of the school prior to its placement as a turnaround academy, including the building's contents, equipment, and supplies, and shall have access to such additional facilities as were typically available to the school and its students, faculty, and staff prior to its placement in the district. The special management team shall maintain and repair the buildings and grounds in a manner that is at least consistent with the maintenance and repair of the other buildings and grounds within the school corporation.**

(2) the school corporation shall continue to:

(A) provide transportation for students attending the turnaround academy at the same level of service the school corporation provided before the school became a turnaround academy; and

(B) maintain and repair the buildings and grounds consistent with the maintenance and repair to the school corporation's other buildings and grounds.

~~The school corporation shall consult with The special management team regarding these matters.~~ **shall receive, control, and expend the local funding for the school. The amount of local dollars shall be calculated by the department of local government finance on the basis of student enrollment for students attending that school who live in the taxing unit other than the amount obligated to pay for existing debt service. The school corporation shall remit this amount to the special management team at a frequency determined by the state board in consultation with the department and the school corporation.**



(3) The special management team shall either:

(A) provide transportation for students attending the turnaround academy; or

(B) contract with the school corporation to provide transportation for students attending the turnaround academy.

Transportation must be provided at the same level of service the school corporation provided before the school became a turnaround academy.

(b) The school corporation shall:

(1) take no action adverse to the special management team's operation of the school, including, but not limited to taking no action to dispose of or cloud the title of the real property on which the school is located, or removing or disposing of personal property located in or assigned to the school; and

(2) not later than forty-five (45) days after the state board executes a contract with a special management team under section 7 of this chapter, provide to the special management team all student records and other data for the students who attended the school immediately prior to the school qualifying for intervention under IC 20-31-9.

(c) If the special management team contracts with a school corporation for goods or services, the school corporation may not charge the special management team more for the goods or services than the school corporation pays for the goods or services.

(d) If the state board determines that the school corporation has not complied with any provision of subsection (b) or (c), the state board may order the department:

(1) to withhold from the school corporation additional state funds otherwise to be distributed to the school corporation; and

(2) to distribute those funds to the special management team; in order to permit the special management team to operate the school notwithstanding the school corporation's prohibited or refused action under subsection (b) or (c).

(e) The special management team and the school corporation's board shall hold a joint public meeting at least two (2) times each year to discuss issues and progress concerning the turnaround academy.

SECTION 15. IC 20-31-9.5-3, AS ADDED BY P.L.229-2011, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) Turnaround academies are eligible to receive building and technology loans administered by the



1 state board from the common school fund.

2 (b) A student who attends a turnaround academy or another school
3 subject to intervention under this chapter remains, under IC 20-43-4-1,
4 an eligible pupil of the school corporation where the student has legal
5 settlement.

6 (c) The state board, based upon recommendations received from the
7 department, shall determine the amounts of state tuition support and
8 federal funds that are necessary to fund options for improvement
9 implemented by the state board under this chapter with respect to each
10 turnaround academy.

11 (d) The department shall do the following:

12 **(1) Present recommendations for state tuition support and**
13 **federal funding amounts to the state board prior to the start**
14 **of each fiscal year for each year during the intervention at a**
15 **schedule determined by the state board.**

16 ~~(+)~~ **(2)** Withhold from state tuition support and federal funds
17 otherwise to be distributed to the school corporation of the school
18 operated as a turnaround academy under this chapter the amount
19 determined under subsection (c) for the affected students. The
20 amount withheld under this subdivision may not exceed the total
21 per pupil funding for the affected students.

22 ~~(2) Enter into any contracts necessary to implement the options~~
23 ~~for improvement implemented for the school by the state board,~~
24 ~~including contracts with a special management team assigned~~
25 ~~under IC 20-31-9-4 to operate the school as a turnaround~~
26 ~~academy.~~

27 (3) Make payments under the contracts entered into **by the state**
28 **board** under ~~subdivision (2)~~ **this chapter** with funds withheld
29 from the school corporation under subdivision ~~(+)~~ **(2)**.

30 SECTION 16. IC 20-31-9.5-5, AS ADDED BY P.L.229-2011,
31 SECTION 190, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The executive of a city or
33 county in which one (1) or more turnaround academies are located may
34 petition the state board to oversee the special management team. The
35 petition must include the following:

36 (1) The names of one (1) or more turnaround academies located
37 within the executive's jurisdiction for which the executive wishes
38 to conduct oversight.

39 (2) The functions the executive wishes to perform.

40 (3) Information on how and by whom those functions will be
41 carried out.

42 (b) The state board may approve or not approve a petition under this



section in whole or part.

(c) This section expires on July 1, 2015.

SECTION 17. IC 20-31-9.5-7, AS AMENDED BY P.L.33-2014, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) If the state board assigns a special management team, ~~to a school~~, the state board shall enter into a contract with a special management team. ~~that includes the following provisions:~~ **The terms of the agreement shall specify the following:**

(1) A requirement that the special management team and the governing body conduct a public meeting two (2) times each year to provide a report concerning:

(A) student achievement of affected students; and

(B) the condition of the school property and to address issues related to the school property.

(2) The amount of local, state, and federal funding, including tuition support, to be distributed to the school.

~~(2) (3)~~ A requirement that the student instruction must be provided by teachers licensed under ~~IC 20-28-5~~. **section 7.5 of this chapter.**

~~(3) A specification that the length of the contract is five (5) years.~~

(4) The performance goals and accountability metrics agreed upon for the school.

(5) Grounds for termination of the agreement, including the right of termination if the special management team fails to do any of the following:

(A) Comply with the conditions or procedures established in the agreement.

(B) Meet the state's financial management and government accounting requirements.

(C) Comply with applicable laws.

(D) Meet the performance goals and accountability metrics agreed upon under subdivision (4).

(b) The special management team shall have full autonomy to operate the school as provided in the agreement described in subsection (a).

(c) The term of the contract may not exceed five (5) years. The contract may be extended after the initial term at the direction of the state board.

~~(b) (d)~~ Individuals employed by the special management team are entitled to participate in: ~~either:~~

(1) the state teachers' retirement fund created by IC 5-10.4; ~~or~~

(2) the public employees' retirement fund created by IC 5-10.3; ~~or~~



1 **(3) another employee pension or retirement fund.**

2 ~~(c)~~ **(e)** Employees of a special management team are not required to
3 organize and collectively bargain under IC 20-29-6.

4 SECTION 18. IC 20-31-9.5-7.5 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2015]: **Sec. 7.5. (a) At least ninety percent**
7 **(90%) of the individuals who teach full time in a turnaround**
8 **academy must either:**

9 **(1) hold a license to teach in a public school in Indiana under**
10 **IC 20-28-5; or**

11 **(2) be in the process of obtaining a license to teach in a public**
12 **school in Indiana under the transition to teaching program**
13 **established by IC 20-28-4-2;**

14 **unless the turnaround academy requests and the state board**
15 **approves a waiver for a lower percentage.**

16 **(b) An individual who does not qualify under subsection (a) may**
17 **teach full time in a turnaround academy if the individual meets one**
18 **(1) of the following criteria:**

19 **(1) The individual is in the process of obtaining a license to**
20 **teach in a turnaround academy in Indiana under**
21 **IC 20-28-5-16.**

22 **(2) The individual holds at least a bachelor's degree with a**
23 **grade point average of at least 3.0 on a 4.0 scale from an**
24 **accredited postsecondary educational institution in the**
25 **content or related area in which the individual teaches.**

26 **The number of individuals qualifying under this subsection may**
27 **not exceed ten percent (10%) of the full-time teaching staff unless**
28 **the turnaround academy requests and the state board approves a**
29 **waiver for a higher percentage.**

30 **(c) An individual described in subsection (a)(2) must complete**
31 **the transition to teaching program not later than three (3) years**
32 **after beginning to teach at a turnaround academy.**

33 **(d) An individual who holds a part-time teaching position in a**
34 **turnaround academy must hold at least a bachelor's degree with a**
35 **grade point average of at least a 3.0 on a 4.0 scale from an**
36 **accredited postsecondary educational institution in the content or**
37 **related area in which the individual teaches.**

38 **(e) An individual who provides to students in a turnaround**
39 **academy a service:**

40 **(1) that is not teaching; and**

41 **(2) for which a license is required under Indiana law;**
42 **must have the appropriate license to provide the service in Indiana.**



SECTION 19. IC 20-31-9.5-8 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 8: (a) If the state board, upon remand of the Marion County Circuit Court case of Board of School Commissioners of the City of Indianapolis v. Indiana State Board of Education and Indiana Department of Education (cause number 49D03-1206-MI-023257), determines that the Indianapolis public school corporation or any other school corporation is entitled to a distribution to correct the amount that was withheld under IC 20-31-9.5 during July through December 2012 from state tuition support and federal funds otherwise to be distributed to the school corporation, the following apply:

(1) The state board shall make distributions to the following:

(A) The Indianapolis public school corporation;

(B) Any other school corporation affected by a redetermination of the amount that was withheld under IC 20-31-9.5 during July through December 2012;

(2) Before making a distribution to a school corporation under this section, the state board must obtain from the recipient school corporation an agreement that the school corporation will dismiss and not pursue any claims against the state or any state officer or entity, the special management team, or the turnaround academy with regard to distributions received by the special management team or turnaround academy under IC 20-31-9.5 during July through December 2012.

(b) There is appropriated from the state general fund to the state board for the 2012-2013 state fiscal year, seven million four hundred five thousand eight hundred ninety-two dollars (\$7,405,892) to make distributions as provided in subsection (a).

SECTION 20. IC 20-31-9.5-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9.5. (a) The governing body of a school that has been placed in the lowest two (2) categories or designations may submit a plan to the state board to create a transformation zone within the school corporation.

(b) Not later than seventy-five (75) days after receiving a governing body's plan, the state board shall grant the designation as a transformation zone unless the state board concludes that the submitted plan does not substantially meet the criteria set forth in this section. All plans must be approved or denied by the state board not later than July 1 of the first year of implementation.

(c) Each plan shall include the following information:

(1) A facilities master plan as described under IC 20-31-9-3.5.

(2) An organizational chart that demonstrates that the leader



1 of the transformation zone reports directly to the school
2 corporation's superintendent.

3 (3) A description of the innovations the school corporation
4 will implement, which may include:

5 (A) innovations in school staffing;

6 (B) curriculum and nonmandated assessments;

7 (C) class scheduling;

8 (D) the length of the school day or year;

9 (E) the use of financial and other resources;

10 (F) teacher recruitment, employment, and compensation;
11 and

12 (G) other innovations.

13 (4) The objective annual student performance and growth or
14 improvement performance gains that the school corporation
15 expects to achieve over the next five (5) years.

16 (5) A budget demonstrating financial sustainability of the
17 transformation zone without the use of special turnaround
18 funding at the end of the fifth year of operation, with lower
19 amounts of special turnaround funding in the forth and fifth
20 years.

21 (6) A description of any regulatory or district policy
22 requirements, subject to the the state board's approval, that
23 the school corporation requires to implement the
24 transformation zone.

25 (d) A school within the transformation zone that is not operated
26 by a special management team is not subject to IC 20-29 unless the
27 school voluntarily recognizes an exclusive representative under
28 IC 20-29-5-2. If the school voluntarily recognizes an exclusive
29 representative under IC 20-29-5-2, the school may opt out of
30 bargaining allowable subjects or discussing discussion items by
31 specifying the excluded items on the notice required under
32 IC 20-29-5-2(b). Such notice must be provided to the education
33 employment relations board at the time of the notice's posting.

34 (e) All plans approved under this chapter shall be sent by the
35 state board to the education employment relations board not later
36 than fifteen (15) days after the plan's approval.

37 SECTION 21. IC 20-31-9.5-10 IS ADDED TO THE INDIANA
38 CODE AS A NEW SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2015]: Sec. 10. (a) The state board may make
40 grants to turnaround academies from the turnaround grant fund
41 established in subsection (b) or to any school within a
42 transformation zone, for the purpose of improving student and



1 school performance.

2 (b) The turnaround grant fund is established for the purpose of
3 providing grants under subsection (a). The turnaround grant fund
4 shall be administered by the state board.

5 (c) The turnaround grant fund consists of:

- 6 (1) appropriations made by the general assembly; or
7 (2) gifts.

8 (d) The state treasurer shall invest money in the turnaround
9 grant fund not currently needed to meet the obligations of the fund.

10 SECTION 22. IC 20-31-9.5-11 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) At the time of the initial
13 intervention or at any point during the intervention, the state
14 board may approve a written request from a special management
15 team to:

- 16 (1) serve students in grades outside of the original school
17 configuration in the facility occupied by the special
18 management team; and

- 19 (2) operate a charter school managed by the special
20 management team within the same facility;

21 if the state board determines that academic outcomes or financial
22 sustainability of the turnaround academy will improve through
23 implementing the request.

24 (b) A written request under subsection (a) shall include all of the
25 following:

- 26 (1) An analysis of any building modifications that would be
27 necessary to serve various ages of students and corporation
28 approval of the modifications.

- 29 (2) Plans for ensuring safety of younger aged students when
30 the younger students are in shared space with older students.

- 31 (3) Specific year-by-year academic goals for the original
32 affected students and the additional grade levels of students,
33 disaggregated by grade.

34 (c) The state board shall hold a public hearing, located in the
35 facility proposed to be used, prior to approval of any request made
36 under this section.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1638, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 29 through 42, begin a new paragraph and insert:

"SECTION 5. IC 20-31-9-3, AS AMENDED BY P.L.229-2011, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) This section applies if:

- (1) for a school initially placed in the lowest category or designation before July 1, 2015, in the third year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; or**
- (2) for a school initially placed in the lowest category or designation after June 30, 2015, in the year after the year in which the school is initially placed in the lowest category or designation, a school remains in the lowest category or designation.**

(b) The state board shall establish and assign an expert team to the school. The expert team:

- (1) must include representatives from the community or region that the school serves; and
- (2) may include:
 - (A) school superintendents, members of governing bodies, and teachers from school corporations that are in high categories or designations; and
 - (B) special consultants or advisers.

(c) The expert team shall:

- (1) assist the school in revising the school's plan; and
- (2) recommend changes in the school that will promote improvement, including the reallocation of resources or requests for technical assistance.

(d) The governing body of the school corporation in which a school to which this section applies is located may petition the state board to immediately restructure the school by presenting a written plan to the state board setting forth the proposed intervention for the school. If the state board approves the petition and accepts the plan, the school

- (1) operates under the applicable provisions of IC 20-31-9.5; and
- (2) is carried forward in the same performance category or designation in which the school is placed at the time the state



board accepts the plan."

Page 3, delete lines 1 through 15.

Page 3, line 18, after "applies" insert **"to a school initially placed in the lowest category or designation after June 30, 2015,"**.

Page 3, line 19, delete "two (2) categories or designations," and insert **"category or designation,"**.

Page 3, line 20, delete "two (2) categories or" and insert **"category or designation."**

Page 3, delete line 21.

Page 3, line 30, delete "two (2) performance categories or" and insert **"performance category or"**.

Page 3, line 31, delete "designations" and insert **"designation"**.

Page 3, delete lines 37 through 42, begin a new paragraph and insert:

"SECTION 7. IC 20-31-9-4, AS AMENDED BY P.L.229-2011, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 4. (a) This section applies if:

(1) for a school initially placed in the lowest category or designation of school improvement before July 1, 2015, in the fifth year after initial placement in the lowest category or designation, a school still remains in the lowest category or designation; or

(2) for a school initially placed in the lowest category or designation of school improvement after June 30, 2015, in the third year after initial placement in the lowest category or designation, a school remains in the lowest category or designation.

(b) The state board shall do the following:

(1) Hold at least one (1) public hearing in the school corporation where the school is located to consider and hear testimony concerning the following options for school improvement:

(A) Merging the school with a nearby school that is in a higher category.

(B) Assigning a special management team to operate all or part of the school.

(C) Approving the school corporation's plan to improve the school through creation of a transformation zone.

(D) Approving the school corporation's plan to improve the school through creation of an innovation network school under IC 20-25.5-4.

~~(E)~~ (E) The department's recommendations for improving the school.



~~(D)~~ **(F)** Other options for school improvement expressed at the public hearing. ~~including~~

(G) Closing the school.

~~(E)~~ **Revising the school's plan in any of the following areas:**

~~(i) Changes in school procedures or operations.~~

~~(ii) Professional development.~~

~~(iii) Intervention for individual teachers or administrators.~~

(2) If the state board determines that intervention will improve the school, implement at least one (1) of the options listed in subdivision (1).

(c) Unless the school is closed or merged, a school that is subject to improvement under this section becomes a turnaround academy under IC 20-31-9.5.

(d) A school corporation shall provide an updated facilities master plan and an asset plan inventory for the school to the state board by September 1 following the fourth consecutive year in the lowest two (2) performance categories or designations."

Page 4, delete lines 1 through 33.

Page 4, line 36, after "applies" insert **"to a school corporation initially placed in the lowest category or designation after June 30, 2015,"**.

Page 5, line 24, delete "this chapter," and insert **"section 4 of this chapter,"**.

Page 13, line 16, delete "A governing body may" and insert **"The governing body of a school that has been placed in the lowest two (2) categories or designations may submit a plan to the state board to create a transformation zone within the school corporation."**

Page 13, delete lines 17 through 18.

Page 14, line 26, delete ", including" and insert **"or to"**.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1638 as introduced.)

BEHNING

Committee Vote: yeas 7, nays 3.

